



GOVERNMENT OF THE
COMMONWEALTH OF DOMINICA

BUDGET ADDRESS

FOR FISCAL YEAR 2017/2018
PRESENTED BY: HON. ROOSEVELT SKERRIT
PRIME MINISTER & MINISTER FOR FINANCE

REALISING A MODERN, PROSPEROUS DOMINICA

27th July, 2017

**Budget Address
For the Fiscal year 2017/2018**

“Realising a Modern, Prosperous Dominica”

Introduction

Madam Speaker, Cabinet colleagues, Members of this Honourable House, Distinguished guests, Fellow Dominicans, residents and friends.

I thank Almighty God for watching over us, protecting our country and inspiring us to remain focused and resolute in pursuing our plans to improve the lives of all our citizens and residents.

Today marks an important juncture in Dominica's economic development. Today my Government will grasp the opportunity afforded to us by over a decade of economic resilience and now strong public finances, to launch a bold plan. We will build a new, modern and prosperous Dominica which will benefit all Dominicans!

This new and modern Dominica that we are building will be characterized among other things by improved productivity, a fully diversified economy, human resource development, a healthy nation supported by state of the art health care services and access to a globally interconnected country with advanced air and seaport facilities and ICT systems.

To this end, this is not just another budget, but an economic plan to build a brighter, more secure future, with more well-paid jobs, for all Dominicans. It is in this context therefore, that I am pleased to present this Budget under the theme **“Realising a Modern Prosperous Dominica”**.

Current Economic Performance In Comparison

Madam Speaker, the Dominican economy performed well in 2016, recording 2.8 percent growth, despite the devastation and setbacks caused by Tropical Storm Erika in 2015. The Eastern Caribbean Central Bank (ECCB) forecasts that the Dominican economy is expected to grow by 3.1 percent in 2017 and 2018 respectively.

This buoyant outlook contrasts sharply with the rest of Latin America and the Caribbean. The IMF warns that growth for this region will only be about 1.1 percent this year. The growth experienced by Dominica is clearly better than that of the region and it has also surpassed the average for the Eastern Caribbean Currency Union (ECCU) area.

Madam Speaker, our economic goal of **“Realising a Modern, Prosperous Dominica”** fits well within our overarching vision of a **“Peaceful and Just Dominica”**. These objectives steer our fiscal, economic and social policies as well as our engagement in the international community.

Madam Speaker, this is Dominica's moment and we must seize it!

We could cash in the growth dividend of successful economic management with a broad expansion of existing spending programmes. That would be far easier. But this Government is not in the business of sitting back and basking in its success. What we propose is a bold journey that begins this morning.

Madam Speaker, talk about building a modern, prosperous Dominica comes easy. Setting a course for prosperity demands courageous choices. It requires a new set of policies that would allow for, and indeed would facilitate, the main activities and players of our economy shifting and developing in new directions.

Madam Speaker, we all know that adjusting to change can be challenging and the change we are seeking may be taxing on those who are less inclined to depart from the ways of the past. What we are proposing will shift the central role of Government and fully empower ordinary citizens to make more of the choices that will determine their future.

Madam Speaker, some may be asking themselves why change when things are going well, when past policies are reaping benefits that are the aspiration of many.

To get to where we are today - from vastly unequal education and health opportunities to nearly universal coverage; from the devastation of Hurricane David and Tropical Storm Erika to levels of human development beyond that of many countries with more resources - the State has had to be central in our development and our economy.

Our public officials, Government and citizens should be justly proud of what our State has built through direct intervention in this green and pleasant land.

But the challenge, Madam Speaker, is that more of the same will not bring the same advances as before. Those gains have been made. The current economic model must now evolve to take account of new realities.

As we transform our economy, we need to imagine a different Dominica where the State plays a different role. The task of taking us to the next level of modernity and prosperity is too complex and comprehensive for any State to do on its own.

Henceforth, the State must transform itself, so that it is more of a facilitator, a partner, an innovator and a regulator.

We will not adhere to one dimensional slogans of big versus small government, or of privatisation versus nationalisation. We reject these catch-all solutions, often pushed on us from outside.

Madam Speaker, the ideology on this side of the House is a movement of citizen-centred development. Moving from State monopolies to private monopolies is not what we are after because that would not place ordinary citizens at the heart of decisions that determine their own destiny. Something more, something deeper, is required.

In the new, modern, prosperous Dominica, the main doers will be our people. I am addressing all of our citizens- our farmers, our tourism stakeholders, our private and public sector, our youth. Our definition of success will be whether the broadest cross sections of our population, from Vieille Case and Portsmouth to Grandbay and La Plaine, from the Caribbean Sea to the Atlantic coast, have been lifted to a new level of independence, participation and development.

Madam Speaker, Government could take the easy route and leave this task to future generations but I fear that to do so would be to leave it too late for our beloved country.

Today's mobility of information, capital and people, and equally important, the aspirations of today's youth, mean that a country which only promises to do a little better than before, is going to lose the people and capital that it needs to prosper. Taking the easy route now of sitting back, would make our country slip back, imperceptibly at first, but more obviously later. Dominica would end up in a place, where its best and brightest minds return only to visit elderly relatives; not a place they choose to stay to live, work and grow. It would be to condemn our society and economy to a slow but certain decline.

And so Madam Speaker, since careful, prudential management of our affairs over the past decade has provided this rare opportunity, I believe we have only one option, which is to seize it with both hands.

A New Mode Of Governance

Madam Speaker, to implement our transformation requires a new mode of governance. We appreciate the import of saying that more of the same is no longer enough. We also appreciate, that there are always new ways to do things to maximize the use of public resources.

We may not always get it right and we must be prepared to correct any missteps early. Consequently, to achieve our goal of realising a modern, prosperous Dominica, this will require a different mode of governance.

We will seek to implement governance that is more consultative and able to quickly identify challenges and solutions; one that makes policy choices and decisions based on regional and international evidence as well as our local experience; and one that is unafraid to regularly expose itself to independent, expert scrutiny.

Madam Speaker it is with this in mind that five months ago, the Cabinet set out on a "Dialogue with the People" that took the form of "Town Hall Meetings". To date, almost every village, in every constituency, has met in dialogue with Ministers. These exchanges have been frank, rich and informative for all and have formed the basis for the plan we are unveiling today. We shall continue with this mode of public consultation.

A National Fiscal Policy Panel

Madam Speaker, we will need more, however. We propose in this Budget to establish a National Fiscal Policy Panel (NFPP) made up of three independent experts with outstanding international reputations to provide the Government, Parliament and the nation with independent economic advice on matters relating to tax and spending policy during this transformation.

Part of the NFPP's work will be to advise the Government on economic and fiscal policies. Madam Speaker, the establishment of the NFPP is an indication of the strength of our determination to realise a modern Dominica and the depth of our humility.

Madam Speaker, it goes without saying that while today I lay out our economic plans for a modern, prosperous, Dominica we know that economic prosperity is but one of the means to the achievement of our goal of a just, peaceful and prosperous country.

At another time I will lay before this House other initiatives of this Government that build on a strong economy to further these vital goals of our society.

The Role of the People In Economic Development

Madam Speaker, if we are to be a modern, prosperous nation our people must be highly skilled, and engaged in value-added activities that are globally competitive.

It is important to spell this out and to explain what it is not.

Skill, knowledge-based, value-added and outward orientation must be the hallmark of the New Modern Dominica.

We will not be prosperous without a highly skilled population. It means that our primary investment must be in developing the skills of our population.

But the modern challenge is that the skills of today and tomorrow are not the same as those of yesterday and are often not those taught in traditional educational establishment.

We must therefore consider new ways of investing in our people including ways that put more resources in the hands of all working Dominicans to help them upgrade their skills and themselves, to be able to earn higher incomes.

These highly skilled people must be engaged in value-added activities, not the simple exploitation of our natural environment. Value-added can be in the production process, such as in the development of specialty bananas or other fruits. It can be in post-production such as processing, packaging and marketing.

Small farmers and small businesses have particular challenges in adding value to their products and this is where Government can help; however, the projects targeted would have to be prioritised. This will require greater collaboration between ministries and the private sector.

Elements of this can already be found in our agricultural, tourism and manufacturing sectors. The region, including Dominica already has the highest tertiary education emigration rates in the world. We must therefore encourage skilled and productive Dominicans to remain at home or return home.

If we are to capitalise on the investment in these new skilled individuals, this requires a radical shake up of the costs attached to living and working in Dominica, taxes and licencing fees, energy costs, transport costs and financing costs. We will make a radical start, in the fiscal measures that will be announced in this budget and we commit to doing much more.

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Economic Context and Review

Madam Speaker, in Dominica, economic activity expanded during 2016, with preliminary GDP estimates indicating real growth of 2.8 percent. This performance was driven by increased activity in some of the main productive sectors, namely Agriculture, Livestock & Forestry, Fishing, Mining and Quarrying, Electricity & Water, Construction, Financial Intermediation, Education & Other Community, Social & Personal Services sectors.

The Agriculture, Livestock & Forestry sector grew by 9.9 percent. The banana subsector is estimated to have grown by approximately 14.0 percent in 2016 while the Other Crops subgroup also is estimated to have grown by 10.5 percent.

The Electricity and Water Supply category realised an overall growth of 3.2 percent. While the Electricity subgroup grew by 4.5 percent, the Water Supply subgroup declined by 1.1 percent, mainly due to a drop in the number of gallons consumed by commercial, industrial and Government industrial consumers, along with ship sales.

In addition, according to company sources, some domestic lines in the storm stricken areas were still not re-installed until the beginning of the second quarter of 2016, thereby affecting domestic consumption.

Construction activity is estimated to have increased by 31.8 percent in 2016 while the Mining & Quarrying sector is estimated to have grown by 17.6 percent.

Despite the 2.8 percent growth in 2016, there have been uneven performances in some sectors. Output in the manufacturing sector is estimated to have contracted in part due to damage to the plant and subsequent closure of a major manufacturing firm. However due to the efforts of the Government, this firm has reopened and should be fully operational by the end of the year.

The Wholesale and Retail Trade sector recorded a 0.70 percent decline.

Despite an increase of 5.2 percent in total stay over arrivals, the output in the hotel and restaurant sector declined by 12.8 percent in 2016. It is estimated that the average length of stay during the period was shorter.

However, growth in the financial intermediation sector was recorded at 7.8 percent. A growth rate of 13.9 percent was recorded under the auxiliary financial intermediation subsector followed by the banking subsector with 8.7 percent growth.

The Education sector registered growth of 4.8 percent for the 2016 period reflecting mostly growth in private education.

The Health & Social work, and Other Community, Social & Personal Services sectors increased by 3.8 and 2.5 percent, respectively in 2016.

Fiscal Developments 2016/17

Recurrent revenue amounted to \$882.4 million for the fiscal period 2016/17. This includes all receipts from the Citizenship by Investment Programme (CBIP). A total of \$507.0 million was collected under the CBI of which \$334.0 million was used for budget financing. The table 1 below provides a breakdown of the financing components.

Table 1

Financing	Amount Ec\$
Public Sector Investment Programme	206,886,507.00
Debt	67,112,952.31
Marketing	40,685,577.50
Due Diligence	19,302,998.12
Total Budget Financing	333,988,034.93

In the 2016/17 budget as presented, recurrent revenue was estimated at \$566.7 million for the period. However, an amount of \$882.4 million was collected, with \$356.0 million in tax revenue and \$526.4 million in non- tax revenue.

Taxes on income and profits for the year are projected to be \$67.3 million. This includes \$34.3 million collected from corporation and withholding taxes and \$33.0 million collected from personal income tax.

Taxes on goods and services are estimated at \$200.8 million. Of these taxes, collections from the Value Added Tax, amounted to \$145.2 million.

Initial estimates of revenue from taxes on international trade and transactions are \$78.9 million and include import duty of \$39.0 million.

Property tax collection totalled \$9.0 million.

Non-tax revenue collection is estimated at \$526.4 million and this source of revenue is important to the financing of the public sector investment programme.

Government continues to exercise prudent fiscal management and utilises tight expenditure controls where possible. Preliminary estimates suggest total outlays for fiscal year 2016/17 amounted to \$752.6 million.

Current expenditure estimates are \$476.5 million net of debt amortization and sinking fund.

Expenditure on goods and services is estimated at \$193.5 million. Outlay for transfers and subsidies is estimated at \$102.2 million.

Expenditure on personal emoluments amounted to \$153.7 million while interest payments totalled \$27.2 million.

Spending on the Public Sector Investment Programme for fiscal year 2016/17 is estimated at \$276.0 million with Government financing accounting for 75.0 percent.

Government's overall fiscal operations for fiscal year 2016/17 have resulted in a current account surplus of \$405.8 million.

Madam Speaker, as at 30th June 2017 total public sector disbursed outstanding debt (excluding bank overdraft) was \$1.0 billion, consisting of external debt of \$730.9 million and domestic debt of \$281.6 million. Central government debt accounted for \$841.0 million comprising \$628.9 million in external debt and \$212.1 million in domestic debt.

Government guaranteed debt was \$171.5 million. The guaranteed debt represents 16.9 percent of the total debt portfolio. The guaranteed amounts are held by statutory bodies, with the AID Bank holding the largest share of 46.0 percent, followed by DOWASCO with 33.0 percent. The share of the government guaranteed debt is just below the target of 17 percent specified in Government's debt strategy.

Madam Speaker, as at 30th June 2017, the total disbursed outstanding debt to GDP ratio is estimated to be 61.4 percent, with central government debt to GDP ratio at 51.0 percent. Debt service to current revenue for total public sector outstanding debt is 16.0 percent, while central government debt service to current revenue is 12.0 percent.

The ratio of debt service to current revenue in fiscal year 2016/17 decreased by 3 percent over 2015/16. This improvement over 2015/16, is mostly as a result of an increase in government's revenue. External debt service to revenue is 12.0 percent. Based on the IMF's Country Policy and Institutional Assessment (CPIA), Dominica's threshold for external debt service to revenue is 22 percent. An external debt service to revenue ratio of 12.0 percent indicates that Dominica's policy performance is strong.

There were no new loans contracted during the financial year 2016/17. However, Government re-issued quarterly treasury bills of \$20.0 million on the Regional Government Securities Market (RGSM). All four auctions were oversubscribed and the interest rate was as low as 1.9 percent on the last auction. Disbursements during the period under review, came from committed loans, totaling \$26.6 million of which central government disbursement was \$9.4 million while disbursement for government guaranteed loans was \$17.2 million.

The committed undisbursed debt balance is \$219.4 million. The weighted average interest rate of the debt portfolio is 2.9 percent.

Critical Policy Decisions and Activities

Madam Speaker, in accordance with our vision for realising a modern Dominica we have heightened our focus on creating opportunities for upskilling, for adding value and for earning revenues from international activities. Significant advances have been made in the design, costing and tendering of the projects that help us to achieve these development goals.

The real estate option of the CBI continues to gain popularity in the market place and this has translated to a significant increase in foreign direct investment in the tourism industry, as evidenced by the ongoing construction of a number of major hotels. The most advanced at this time are the Kempinski and Jungle Bay resort developments.

On completion, the Kempinski hotel will boast one hundred and sixty five-star quality rooms. Construction of concrete structures is at 90.0 percent and works have commenced on roof installation.

The next phase includes the highly skilled areas of mechanical, electrical and plumbing works. It is projected that between one hundred and fifty (150) and two hundred and fifty (250) Dominicans will be employed on the project throughout the construction period.

The one hundred and twenty (120) room Jungle Bay resort is also progressing satisfactorily. Sixty-seven (67) locals are currently employed on this project and it is projected that over 100 people will be employed by October 2017. Construction is to phase out around December of 2019. Post construction, Jungle Bay should employ a permanent full time staff of between one hundred and ten (110) and one hundred and twenty (120) people.

The reception/office building, restaurant & pool plus nine (9) villa buildings are currently under construction. It is anticipated that the facility can be opened to receive its first guests in December 2018 with thirty (30) completed villa buildings.

Additionally, Bois Cotlette in the South, the Marriott Autograph in the North and the Hilton Curio in the West will increase our high quality room stock by three hundred and sixty-four (364). Madam Speaker, these high value brands invest heavily in the training of local staff and make available in Dominica products and services that are of high quality international standards.

Further to the commitment of this Government to resettle the displaced residents of Petite Savanne, work on the development of a modern community at Bellevue Chopin is progressing apace. This will see the construction of three hundred and forty-one (341) homes, a farmers market, community centre, playing field and other facilities. One hundred and eight (108) Dominicans are engaged on the project in various aspects of the works. Up to two hundred and sixty-five (265) Dominicans are expected to be employed throughout the life of the project.

Madam Speaker, the manufacturing sector is receiving a boost with the re-opening of the Dominica Coconut Products under local ownership with the support of the Government. The new owner has informed that it will take up to six months of repair and maintenance of the equipment and building, before the plant is operational.

Ten (10) employees constituting of mainly technical and administrative staff will be employed during that stage, whilst a total of fifty-one (51) people will be employed during the first year of production. The company has informed that it expects employment to reach a peak of one hundred and fifty (150) people within a three year period.

Government's policy of encouraging and supporting the development of small business has gained momentum. Numerous entrepreneurs and innovators covering the fields of manufacturing, farming, fishing, landscaping, health and wellness, agro processing, auto mechanics, day care managers, hairdressers, machine shop, culinary, retail and wholesale enterprises have emerged and are receiving support from the Ministry of Commerce, Enterprise and Small Business Development to improve their micro and small businesses. To date the amount of \$13.5 million has been disbursed.

Further, a sum of four hundred and sixty thousand dollars (\$460,000) was spent to harness the talent of specific group incubation enterprises in Sewing, ICT, Organic Farming, Livestock, Apiculture, Fishing and Art and Craft in the communities of Sineku, Dublanc, Paix Bouche, Grand Fond, Castle Bruce and Grand Bay. Other enterprises will be targeted in the new financial year in the communities of St. Joseph, Belles, and Tan Tan.

As a sector, small businesses are confronted with challenges that are unique to their size and to the relatively small markets they serve. Generally, they do not comprise the mainstream private sector organisations, nor are they resourced with the advocacy and negotiating skills that the established private sector is able to procure. Greater clarity is required of the legal parameters within which they operate, the concessions and fiscal incentives from which they are to benefit, and the education and research opportunities from which they could benefit.

Towards that end, the Small Business Bill will be presented to Parliament before the end of this calendar year. Additionally, and without pre-empting the provisions of the Bill, government is disposed to give favourable consideration and support to the establishment of a Small Business Council.

Madam Speaker, Dominica is on a journey of transformation not just economically but aesthetically. Major aspects of the rehabilitation of the Douglas-Charles airport with significantly enhanced safety and security features have been completed. These include the completion of the apron and runway rehabilitation, extension of the river wall, reinforcement of the abutments of the bridge, improved drainage along the runway, rehabilitation of the terminal and installation of new security and baggage handling equipment. Additional works are required and are in progress including the re-grassing and beautification of the airport grounds, further reinforcement of the river berm and the crossing at the eastern end of the runway.

While these works were being undertaken at Douglas-Charles, we have moved forward with plans for the development of an international airport. More detailed studies of the selected site are ongoing. An airport development fund has been established as of May 2017 and has been capitalised with US\$10.0 million from the Citizenship By Investment Programme. Government has taken the decision that an amount of US\$5.0 million will be paid into that fund on a monthly basis. I will inform the nation later in the fiscal year on developments relating to this project.

Madam Speaker, in my last budget address, I outlined the plan of my Government to move forward with the construction of a seven megawatt (7 MW) geothermal power plant in the Roseau Valley, to supply clean energy at a lower cost to households and businesses in Dominica.

Today, I am pleased to provide an update on the significant progress that we have made over the last twelve (12) months. We have established the Dominica Geothermal Development Company (DGDC) with the full complement of staff to move ahead with the construction of the power plant. In June of this year, the Government of New Zealand recruited a project manager who is now engaged with the DGDC.

Funding for the project will come from various sources. Government will contribute \$40.5 million (US\$15.0 million). In addition to Government's contribution, we have secured all the funds required to construct the plant from our development partners. Grant funding will comprise an amount of \$30.0 million from the Government of the United Kingdom, \$5.4 million (US\$2.0 million) from the Government of New Zealand and \$ 5.4 million (US\$ 2.0 million) from SIDS DOCK. Government has also applied for grant funding under the United Arab Emirates Caribbean Renewable Energy Fund (UAE-CREF). The grant is expected to be between \$8.1 million and \$13.5 million (US\$ 3.0 million and \$5.0 million) and would fund a battery storage system to be used in the national electricity grid.

Funding will also be obtained from the World Bank in the form of a loan of \$16.2 million (US\$ 6.0 million), at a highly concessionary rate of 0.75% with a 10 year grace period and 40 year repayment term.

In addition to the financing required to construct the plant, Government has also been able to secure contingent financing, in the event additional production wells are required. The funds are being provided by the Clean Technology Fund (CTF) in the amount of \$24.3 million (US\$ 9.0 million). The CTF will also provide \$6.8 million (US\$ 2.5 million) in the form of technical assistance for advancing the development of a large geothermal power plant (LGPP) for export of power to Guadeloupe and Martinique.

Madam Speaker, work is ongoing on the Environmental and Social Impact Assessment in the Roseau Valley. This will take into consideration the impact of the construction and operation of the geothermal power plant on the residents of the Roseau Valley. Every effort will be made to ensure that adverse impacts on the communities and the environment will be mitigated. Compensation will be given to land owners and support will also be provided to residents who occupy lands to ensure that they are not left worse off.

As we speak, Jacobs (New Zealand) Ltd, our technical consultants, are progressing with the designs of the power plant to be completed by the third quarter of 2017 and the project will go to market for an Engineering, Procurement and Construction (EPC) contractor immediately thereafter.

Once the plant has been commissioned, the DGDC will sell power to DOMLEC to be distributed throughout the country. So far, I have been advised that based on the regulations of the Independent Regulatory Commission (IRC), DOMLEC must pass on the lower tariff to the consumers. That is to say, DOMLEC is not allowed to add to the cost at which the power will be sold. This will ensure that the lower cost of electricity from geothermal will pass through to the consumers.

The cost of geothermal electricity sold to DOMLEC will be much lower than the current cost of diesel generation. Negotiations are ongoing with DOMLEC to finalise the terms of the Power Purchase Agreement (PPA) between DGDC and DOMLEC. Negotiations are expected to be completed in the coming weeks.

Madam Speaker, citizens are delighted at the rate of progress being made in the construction of the New National Hospital. This project has been made possible through the generosity of the Government of the People's Republic of China and we thank them for it. The first phase of the new hospital will be completed in October 2017 and will include a new Accident and Emergency Department, Radiology and Laboratories. The New National Hospital is one of the many initiatives being undertaken in order to bring affordable health care to citizens.

Madam Speaker, Government utilises the AID Bank as the main financial institution through which special lines of credit are made available to various sectors of the economy. In the budget for fiscal year 2016/17, special lines of credit were established to facilitate expansion in the agriculture and tourism sectors. In addition, funds were made available for Music and Artists in the Creative Industry.

The AID Bank reports that the funds provided have been on-lent as follows:

- One hundred and twenty-four (124) loans totalling \$2.1 million have been granted under the special facility for agriculture.
- Three loans (3) totalling \$2.6 million have been granted under the special tourism facility.

Madam Speaker, I would now like to set out a number of other policies in the pursuit of our economic vision to realise a Modern Prosperous Dominica.

Upgrading of Urban Centres

Our commitment to develop a modern urban centre in Roseau commenced with the construction and commissioning of the new West Bridge. All would agree that this project has taken infrastructural development in Dominica to a new level.

Madam Speaker, the construction of the southern river wall from the EC Loblack Bridge to the Market will be done. Work on a section of that wall will commence in August. The new river wall will serve to protect homes and businesses in the city. Designs for the rehabilitation of four streets in Roseau namely, Independence Street, King George V Street, Great George Street and part of River Street have been completed and are being reviewed by the stakeholders.

The capital city of Roseau and the town of Portsmouth are slated for improvements to enhance their visual appeal and make them safer for citizens and visitors alike.

The overall programme in Roseau considers the following activities:

- Rehabilitation of the streets in the city of Roseau including drainage, utility upgrade, road pavement, sidewalk, landscaping and street lighting;
- A bypass road through the Botanic Gardens

In Portsmouth, the plan is for the following activities

- A by-pass road to Cabrits
- Construction of a multi-purpose public building
- Rehabilitation of the streets

The National Multipurpose Sports Facility

Madam Speaker, our future is not only dependent on the decisions we make relative to our country's economic development but also the value we place on our youth. Hence, Government recognizes the importance of the wholesome development of our youth through sports.

As a result, the Government of Dominica is presently pursuing the construction of a forty million dollar (\$40 million) National Multi-Sports Facility at Stockfarm as part of our strategy to facilitate the further development of the sports of basketball, volleyball, netball, tennis and swimming on the island. The provision of this modern facility will meet the standards mandated by the respective International Sports Federations and Associations.

To this end, Government signed a contract on 9th June 2017 with a Puerto Rican architectural firm -Marques & Marques- for the preparation of designs and tender documents. The conceptual and schematic designs have been completed and the presentation by the firm is scheduled for today.

Local Contractors are urged to make themselves ready to be in a position to bid for the construction of this facility.

Entrepreneurship

Madam Speaker, entrepreneurship is one area where we can draw on the expertise we already have, to create new opportunities for others. Earlier I highlighted the interventions made by Government in the area of small business development and we know the importance of giving our youth an outlet for development with such interventions.

Government wants to take this one step further, by targeting particular groups of individuals. Among them is the rising number of university graduates returning to Dominica on the completion of their course of study wishing to make investments in various types of business. They are hindered in their ability to do so because of unavailability of financing and their inability to mobilise start-up capital. This is one of the issues raised in the various public consultations and town hall meetings, held over the past five months.

Madam Speaker, we have listened the calls of our young people and we are determined to do something about it. Accordingly, budgetary provision has been made in this year's allocation, in the amount of \$4.0 million to provide qualifying individuals with financial support, in the form of soft loans to start their businesses. They would be required to employ at least three (3) people.

It is intended that such businesses will operate under the proposed Small Business Act and, subject to the specified conditions, benefit from the privileges and concessions that are provided under that Act.

Madam Speaker, the significant positive impact that small businesses have on small economies is well known. This Government is not only providing an enabling environment but we are also providing the necessary resources to ensure that these businesses are successful.

This is a new initiative, and is in addition to the small business assistance that Government is already providing.

Improving the Road Network on the East

Our commitment to addressing the vulnerability and fragility of the road network in the East/South East remains unchanged. At present work is ongoing under the European Union's (EU) "B" Envelope of the 10th European Development Fund (EDF). These works, which are well advanced, comprise of slope stabilisation, river protection, drainage, construction of a bridge across the Laronde River and partial road pavement resurfacing from Bois Diable to the Laronde River. These works should be completed by end December 2017. This represents the first phase of the rehabilitation of the entire east coast roads.

The second phase of the works will comprise complete rehabilitation and enhancement of 4.6 km of road from Pond Casse to the Bois Diable junction. Works will include implementation of new drainage structures, reconstruction of the road surface, and installation of streetlights, road markings, guard rails and signage. It is expected that work will commence in this financial year.

The third phase of work will be from Bois Diable to the Laronde River, while the fourth phase will be from Laronde River to White River.

The Aux Delices slope stabilisation, as well as the permanent bridge structure at the Boetica River, are very critical and highly technical. These are being treated as separate and urgent interventions. A consulting engineering firm has been identified to prepare the necessary designs.

The Loubiere to Bagatelle Road Project which is aimed at increasing the resilience of the road network in the South East commenced in April, 2017 with the engagement of a consulting firm to undertake a feasibility study leading to the design of the necessary interventions.

Stakeholder meetings have been conducted in the communities to be impacted by the Project. We thank the residents of the respective communities who participated in the exercise for their patience and valuable input. I also thank the Government of the United Kingdom for their commitment to finance that Project.

Housing Development

Madam Speaker, when we talk about building our country in essence we are talking about uplifting our people. While it is this Government's pledge to ensure that every Dominican has access to education, employment and equally important housing, we must ensure that each one of us have a home to go to at the end of each work and school day.

With this in mind, the housing needs of the population are of paramount importance to this Government. We recognise that shelter is one of the basic human needs and my Government's policy is to ensure that no family should be without a roof over their heads or preferably, without a 364 that they can call their own.

Government's programme for housing the nation and for improving overall housing and sanitation conditions, has included land settlement and development, home renovation and sanitation, housing resettlement- including most recently for residents of Petite Savanne and Dubique, Plat Ma Pierre housing, - and the provision of low interest mortgage financing through the Housing Loans Board and the AID Bank.

The Plat Ma Pierre housing development is nearing completion and twelve families will be receiving their keys to brand new homes next month. Six of those homes were constructed by the Adventist Development and Relief Agency (ADRA) with assistance from the Government. The other six houses are petro casas donated by the Government of the Bolivarian Republic of Venezuela and were constructed by the Government. We anticipate being able to allocate 21 lots in the next few months to residents of the area who have applied. Madam Speaker, this is but one of my Government's commitments to the people of that area.

Madam Speaker, following the unfortunate Christmas fire at Silver Lake where eighteen (18) families lost their homes, this Government provided prompt assistance to those families. A compassionate allowance of one thousand dollars (\$1000.00) was provided to each family to enable them to provide for their immediate basic needs. Rental assistance and a displacement allowance were also provided.

Simultaneously, the Government moved quickly to expedite the construction of permanent accommodation for residents. Already six families have settled into their new homes and it is expected that the remaining families will be rehoused in new apartments within the next three months.

Madam Speaker, in Dominica, there is a growing middle class comprising of mainly young professionals and university graduates, who struggle under the burden of high rentals and who would prefer that their monthly rentals be converted to an equity stake in their own home. To this end, the Cabinet of Ministers has given its blessing to the Dominica Social Security Board pursuing the development of a modern, upscale housing development for middle to high income earning individuals.

The Government is keen to assist with the containment of prices and costs to potential beneficiaries and has readily indicated its willingness to assist with infrastructural inputs as well as duty waivers wherever possible to ensure delivery of high quality, attractive but yet affordable homes to this emerging category of workers in our midst. I should state here also that this housing development will also target Dominicans living abroad but who have a desire to invest in and own a valued and valuable piece of beautiful Dominica.

I do not wish on this occasion to steal the thunder of the Dominica Social Security Board, so I will confine my remarks to an assurance of the coming on stream of this project within the current financial year.

In the meantime, I can assure all who have expressed interest in such a programme that the qualifying criteria will not be burdensome and that loans disbursed through this mechanism should be repaid in full well within the working life of the borrower.

Air transport

Madam Speaker, we recognise that lowering the cost and increasing the capacity of regional and international air connectivity is critical to export orientation.

We are in negotiations with airlines to improve the frequency and reliability of flights to and from Dominica. A small regional airline has announced that they will increase direct flights from Barbados and St. Lucia to Dominica. I do not believe that it is too soon for me to share with the public of Dominica, the fact that discussions are at an advanced stage for the commencement of direct air service from mainland United States of America (USA) to Dominica.

This is a very competitive area of endeavour and I do not wish to speak before the ink bearing our signature has dried. But suffice it to say that I am confident that many overseas-based Dominicans and visitors, who will fly to Dominica from the United States next year for the World Creole Music Festival and national Independence and Reunion Celebrations, will do so by flying either direct to Douglas-Charles Airport or at most, will make one interim stop, without disembarking the plane, before touching down in Dominica.

Madam Speaker, I am confident that I will be able to answer all questions arising from the foregoing, in my address to the nation on Independence Day later this year.

Agriculture

Madam Speaker, we now move to another major pillar of our economy, the agricultural sector. Over the years, we have witnessed a transformation in the structure of the agricultural sector as the efforts of the Government to diversify have borne fruit. Indeed the picture now developing is one that shows that agricultural diversification is beginning to take root on a scale never seen before. A mix of crops comprising mainly banana, plantain, dasheen, yam, tannia, sweet potato and ginger now profile the agricultural export sector.

This has been due largely to gains made in the Support to Horticulture Programme and the success of DEXIA's continued efforts in seeking new export markets. This has been supported by the operationalisation of the pack houses in Portsmouth and Roseau.

Recent market led developments have helped push this new thrust in agricultural diversification. Madam Speaker some of these successes include:

- supply of one twenty foot container of dasheen per week to a distributor in Florida;

- supply of one twenty foot container of dasheen and other root crops per fortnight to a wholesaler in England;
- the increased supply of mixed produce to the regional market;
- Re-entry into the U.K banana market with the support of WINFRESH;
- Increase in the number of micro, small and medium agro processors particularly in the areas of passion fruit juice, pepper sauce, cassava, cocoa, coconut oil, herbs and spices.

In order to take advantage of these initiatives and opportunities, DEXIA in collaboration with the Ministry of Agriculture, has identified a core group of farmers committed to producing the required five hundred (500) tonnes of dasheen to fulfil the current and growing export demand. The farmers, selected from the seven agricultural districts are being supported to ensure a steady supply throughout the year.

The specific strategy being adopted by the Ministry of Agriculture and DEXIA targets three hundred and thirty-six (336) acres spread among one hundred and twelve (112) farmers with a minimum of three (3) acres per farmer annually. Production will be staggered by scheduling the planting of half an acre per farmer every other month.

Working collaboratively, the Ministry of Trade, the Division of Agriculture, DEXIA and the Bureau of Standards are delivering support services to the farmers which include:

- Production support.
- Quality Assurance Certification.
- Processing, market support and value added

The farmers will be expected to supply labour for land clearing, planting and harvesting. Those who require working capital will be recommended to the AID Bank for loans at an interest rate of 3.0 percent, commensurate with the time of harvesting of the crop.

Madam Speaker, I have elaborated on the strategy for developing and expanding dasheen production to highlight the approach being taken by the Ministry of Agriculture for increasing production of all the crops, including plantain, yams, tannia, sweet potato, hot peppers and passion fruit.

In an effort to revive the banana industry and resume exports to the United Kingdom, Government has embarked on a series of interventions. Building materials valued at \$330,478 were provided as a grant to fifty-four (54) core farmers to upgrade pack shed structures. This will allow them to meet the Global Good Agricultural Practices standards.

The Ministry of Agriculture has ordered an additional sixty thousand (60,000) tissue culture banana plantlets at a cost of eighty-eight thousand dollars (\$88,000). Fifteen thousand (15,000) of these plantlets have already been distributed. The second batch of fifteen thousand (15,000) has been weaned and hardened and will be distributed in August.

The third batch of thirty thousand (30,000) plantlets will be received in August. Fertilizer has been provided to all farmers who received tissue culture plants. Madam Speaker, it must be noted that all of these plants are being weaned and hardened at the Chinese Smart Green House at the Portsmouth Agricultural Station.

Government has established a revolving fund from the proceeds of sale of fertilizers and agricultural spray oil received from the European Union funded Banana Accompanying Measures (BAM) programme. This is to allow for sustainability and to ensure that farmers can obtain fertilizers and spray oil at subsidised prices on a continuous basis. The Ministry has also distributed free of charge, two thousand, five hundred (2500), twenty-five kilogram (25 Kg) bags of fertilizers to farmers producing banana, plantain, vegetables, root and other crops, to boost production. Spray oil is also being sold at all agricultural stations at subsidised prices.

Budget Estimate 2017/2018

Madam Speaker, I will now present the estimates of revenue and expenditure for the fiscal year 2017/2018.

Total revenues identified for financing the Budget for the year are estimated at nine hundred and eighteen million, two hundred and fifty-five thousand, three hundred and fifty-eight dollars (\$918,255,358), while total expenditure is projected at nine hundred and thirty million, one hundred and eighty-five thousand and eight dollars (\$930,185,008). The overall budget can be summarized as follows:

- Recurrent Revenue: seven hundred and eighty-six million, four hundred and sixty-two thousand, two hundred and ninety-six dollars (\$786,462,296).
- Recurrent Expenditure (inclusive of debt service): five hundred and eighty million, four hundred and eighty-two thousand, four hundred and eighteen dollars (\$580,482,418).
- Debt amortization and sinking fund: forty-nine million, three hundred and sixty-nine thousand, and twenty dollars (\$49,369,020).
- Current Account Balance: two hundred and fifty-three million dollars (\$253.0 million).
- Local Capital Revenue: five million and fifty thousand dollars (\$5,050,000)
- Capital Expenditure: three hundred and forty-nine million, seven hundred and two thousand, five hundred and ninety dollars (\$349,702,590).

The capital programme will be funded as follows:

- Grants in the sum of seventy-seven million, two hundred and twelve thousand, two hundred and eighty-two dollars (\$77,212,282)
- Loans to the value of forty-nine million, five hundred and thirty thousand, seven hundred and eighty-one dollars (\$49,530,781).
- Local funding in the amount of two hundred and twenty-two million, nine hundred and fifty-nine thousand, five hundred and twenty-eight dollars (\$222,959,528). This will be met from resources raised under the Citizenship By Investment Programme.
- The primary balance (after grants) is estimated at thirteen million, five hundred and twelve thousand dollars (\$13,512,000) or a primary surplus of 0.8 percent of GDP.

Table 2 below shows the overall summary for the fiscal year 2017/2018 with comparative figures for the previous year.

Table 2: Overall Summary

Overall Summary		
	Estimate 2017/2018 (\$000 m)	Budget 2016/2017 (\$000 m)
Revenue		
Recurrent Revenue	786.5	566.7
Current Grants	0	5.0
Capital Grants	77.2	96.4
Loans	49.5	45.8
Other Inflows	5.0	5.1
Total Revenue	918.2	719.0
Expenditure		
Compensation	164.9	160.4
Other Current Operating Expenditure	335.1	205.0
Interest Payments	26.4	25.1
Project Expense	349.7	313.3
Total Expenditure	876.1	703.8
Current Account Balance	253.0	176.2
Primary Balance	13.5	-7.6
Primary Balance (% of GDP)	0.8	-0.7
Debt Amortization	48.8	51.6
Investment	0.5	2.0
Sinking Fund	0.5	0.5
Total Expenditure plus Debt Amortization and Sinking Fund	925.9	758.0
GDP (Market Prices)	1648.9	1,394.0

Recurrent Revenue

Recurrent revenue of \$786.5 million is estimated for the year. The components of recurrent revenue are as shown in Table 3 below.

Table 3: Breakdown of Current Revenue

Item	Estimates 2017/2018 \$000 m	%	Estimates 2016/2017 \$000 m		Revised 2016/2017 \$000 m	%
Tax Revenue	365.5	46%	344.7	61%	356.0	40%
Personal Income Tax	34.0	4.3%	34.4	6.1%	33.0	3.7%
Corporate Income Tax	39.8	5.1%	36.5	6.44%	34.3	3.8%
Taxes on Property	9.0	1.1%	7.6	1.3%	9.0	1.0%
Tax on Domestic Goods & Services	203.0	25.8%	191.3	33.8%	200.8	22.7%
Int'l trade taxes	79.7	10.1%	74.9	13.2%	78.9	8.9%
Non-tax Revenue	421.0	53.5%	222.0	39.2%	526.4	60%
Total Revenue	786.5	100%	566.7	100%	882.4	100%

Madam Speaker, consistent with the anticipated growth in the economy, tax revenue for the fiscal year is projected at \$365.5 million. Taxes on domestic goods and services take up the largest slice at \$203.0 million or 25.8 percent of the total.

This is followed by corporate income tax estimated at \$39.8 million and personal income tax at \$34.0 million.

Non-tax revenues in the sum of \$421.0 million are anticipated. A significant part of non-tax revenue will come from the Citizenship By Investment Programme which is expected to contribute \$399.9 million for the year.

Recurrent Expenditure

The total amount budgeted for recurrent expenditure inclusive of interest and debt amortization for the coming year is \$580.5 million. This compares to \$444.7 million for the previous year 2016/17.

Recurrent expenditure, net of debt amortization and sinking fund, is estimated at \$531.1 million.

Table 4 below shows the distribution of recurrent expenditure by Ministry and Department.

Table 4: Recurrent expenditure by Ministry/Department

Ministry/Department	Amount (000's m)	%
Office of the President	1.2	0.2%
Integrity in Public Office Commission	0.5	0.1%
Public and Police Service Commissions	0.5	0.1%
Legislature	1.1	0.2%
Audit Department	1.1	0.2%
Ministry of Justice, Immigration and National Security	49.5	8.5%
Elections	5.0	0.9%
Ministry of Trade, Energy and Employment	2.9	0.5%
Office of the Prime Minister	4.3	0.7%
Ministry of Finance	241.9	41.7%
Ministry of Agriculture and Fisheries	12.2	2.1%
Ministry of Education and Human Resource Development	73.4	12.6%
Ministry of Housing, Lands and Water Resource Management	3.6	0.6%
Ministry of Social Services, Family and Gender Affairs	18.5	3.2%
Ministry of Health and Environment	61.8	10.6%

Ministry of Tourism and Urban Renewal	17.8	3.1%
Ministry of Information, Science, Telecommunications and Technology	1.2	0.2%
Ministry of Kalinago Affairs	0.3	0.1%
Ministry of Youth, Sports, Culture and Constituency Empowerment	8.9	1.5%
Ministry of Commerce, Enterprise and Small Business Development	0.6	0.1%
Ministry of Planning, Economic Development and Investment	3.2	0.5%
Establishment, Personnel and Training Department	13.6	2.3%
Ministry of Public Works and Ports	36.9	6.4%
Ministry of Foreign Affairs and CARICOM Affairs	17.4	3.0%
Cabinet Office	3.3	0.01
GRAND TOTAL	580.5	100%

Madam Speaker, the budget for the Ministry of Finance is \$241.9 million. Included in this amount is a provision for meeting the cost of promotional activities and payment of due diligence fees relating to the Citizenship By Investment Programme (CBIP) in the sum of \$101.7 million.

The amount of \$75.8 million is being provided to facilitate payment of interest and debt amortization. Interest payments are estimated at \$26.4 million while the sum of \$49.4 is expected to be spent for debt amortization and sinking fund contribution.

The amount of \$34.5 million is allocated for retiring benefits to public officers, gratuities to officers on contract, the payment of compassionate allowances and to meet payment of non-contributory pensions to senior citizens over the age of seventy.

The Ministry of Education and Human Resource Development will receive the second highest allocation of \$73.4 million or 12.6 percent of the recurrent budget. Madam Speaker, it is Government's policy to continue to provide support to education at all levels.

This year, an additional \$1.2 million will go towards the cost of computers and IT equipment to facilitate online testing for students writing the CSEC examinations, and a further \$3.0 million is being provided to support postgraduate studies.

The Ministry of Health and Environment will receive \$61.8 million or 10.6 percent of the total. An additional sum of \$5.0 million is budgeted to meet the cost of pharmaceuticals while a further sum of \$1.0 million is to facilitate an increase in the Government's subvention to the Dominica Solid Waste Management Corporation as we seek to promote a healthy and cleaner environment for all.

The Ministry of Justice and National Security will receive an allocation of \$49.5 million or 8.5 percent of the total. An additional sum of \$1.4 million is being provided to meet litigation costs for the coming year.

The Ministry of Public Works and Ports is allocated \$36.9 million or 6.4 percent of recurrent expenditure. An additional amount of \$5.0 million is provided for road maintenance activities.

The Ministry of Social Services is allocated \$18.5 million or 3.2 percent of the recurrent budget.

The Ministry of Tourism and Urban Renewal is allocated \$17.8 million or 3.1 percent of the budget. This represents an increase of \$3.5 million in the marketing budget to allow for increased marketing in major source markets, improved connectivity, and promotional activities leading up to Reunion 2018. The increased allocation will also allow for expansion in community tourism, enhancement of various tourism sites and urban areas, and development of the yachting sector.

Madam Speaker, Table 5 below provides a summary of recurrent expenditure by economic classifications.

Table 5: Recurrent Expenditure by Economic Classification

Classification	Estimate 2017/2018	%	Budget 2016/2017	%	Projected 2016/2017	%
	\$000 m		\$000 m		\$000 m	
Personal Emoluments	164.9	28.4%	160.4	36.1%	153.7	29.2%
Goods & Services	237.9	41.0%	108.9	24.5%	193.5	36.8%
Interest	26.4	4.5%	25.1	5.6%	27.2	5.2%
Transfers and Subsidies	96.3	16.6%	93.1	20.9%	102.2	19.4%
Refunds	5.0	0.9%	3.0	0.7%	3.0	0.6%

Investment Financing	0.5	0.1%	2.0	0.4%	2.0	0.4%
Subtotal	531.1	91.5%	392.6	88.3%	481.6	91.5%
Repayment of Loans & Sinking Fund	49.4	8.5%	52.1	11.7%	44.8	8.5%
Total	580.5	100.0%	444.7	100%	526.4	100%

Madam Speaker, the sum of \$164.9 million or 28.4 percent of the total is estimated for meeting personal emoluments. This is made up of salaries, wages and allowances.

Goods and services account for \$237.9 million or 41.0 percent of the total.

The sum of \$96.3 million or 16.6 percent is estimated for transfers and subsidies inclusive of retiring benefits.

Public Sector Investment Programme

This year Madam Speaker, the estimated capital expenditure is three hundred and forty nine million, seven hundred and two thousand, five hundred and ninety dollars (\$349.7 million).

Table 6 below provides a breakdown of the PSIP by Ministry. Madam Speaker, I will highlight some of the projects included in the programme.

SUMMARY OF PUBLIC SECTOR INVESTMENT PROGRAMME FOR 2017/2018					
MINISTRY	Total	GOCD	Loan	Grant	Percentage of Total
Justice, Immigration and National Security	5,416,754	4,390,429	408,000	618,325	1.55%
Trade, Energy and Employment	36,480,750	13,800,242	13,585,385	9,095,123	10.43%
Office of the Prime Minister	5,000,000	5,000,000	-	-	1.43%
Finance	755,157	582,157	-	173,000	0.22%
Agriculture and Fisheries	22,716,543	19,540,424	-	3,176,119	6.50%
Education and Human Resource Development	4,800,000	3,300,000	-	1,500,000	1.37%
Housing, Lands & Water Resource Management	32,830,199	21,984,289	5,696,276	5,149,634	9.39%
Social Services, Family and Gender Affairs	4,401,000	401,000	-	4,000,000	1.26%
Health and Environment	52,976,896	10,206,739	9,955,783	32,814,374	15.15%
Tourism and Urban Renewal	4,609,000	4,609,000	-	-	1.32%
Information, Science, Telecommunications & Technology	808,716	808,716	-	-	0.23%
Kalinago Affairs	810,000	810,000	-	-	0.23%
Youth, Sports, Culture & Constituency Empowerment	19,196,808	19,146,806	-	50,002	5.49%
Commerce, Enterprise and Small Business Development	24,400,000	24,400,000	-	-	6.98%
Planning, Economic Development and Investment	3,153,434	812,484	-	2,340,950	0.90%
Establishment, Personnel and Training Department	1,000,000	1,000,000	-	-	0.29%
Public Works and Ports	130,347,334	92,167,242	19,885,337	18,294,755	37.27%
Foreign Affairs and Caricom Affairs	-	-	-	-	0.00%
TOTAL	349,702,591	222,959,528	49,530,781	77,212,282	100.00%

Agriculture

Many of the identified growth-enhancing public investment projects cover the strategic areas for Agriculture within the GSPS namely:

- Development of the Banana and Plantain Subsector, Support to Horticulture Sector and Vegetable Expansion are in support of the strategy to promote and encourage investment in agriculture;
- Cocoa Rehabilitation and Expansion and Coffee Rehabilitation & Expansion projects encourage priority investment in downstream high value added production and processing of products;
- Enhancement of Phytosanitary Capacity of the Plant Protection & Quarantine Unit; and Operationalization and Commercialization of National Abattoir addressed the strategy to strengthen the policy, strategic planning and management capability to support sustainable agriculture development;
- Rehabilitation of Trails and Facilities within National Parks and Ecotourism Sites and Construction and Repair of Bridges- Segments 1,3,5 of the Waitukubuli national Trail, re-enforce linkages with other growth-enhancing sectors particularly tourism.

The Cocoa Rehabilitation and Expansion will mainly concentrate on the drying facility and entail the increase of teams and collaboration of cooperatives.

In respect of the 3.8 percent sectoral growth estimated for 2017/18, \$22.7 million is proposed for investment in the agriculture sector.

Tourism

The proposed growth enhancing public investment portfolio for the Tourism sector has four main projects. These are:

- Tourism Site Enhancement;
- Construction of the Roseau Promenade;
- Community Tourism Expansion; and
- Urban Renewal (Roseau and Portsmouth Enhancement).

Trade and Commerce

The total growth portfolio for ongoing and new projects within the trade sub-sector is valued at \$13.1 million and the commerce sub-sector is valued at \$24.4 million. Of the amount for commerce, \$20.0 million is allocated to provide support for enterprise development and manufacturing.

The two ongoing projects for the commerce sub-sector are seen to contribute to achieving the following strategic areas:

- Promote small business development;
- Focused support on rural businesses through improving the enabling environment for business development in rural areas.

All the projects for commerce are to be domestically financed and represent direct injection in the private sector for creating the enabling environment for growth of local business, trade, investment and sustainable economic growth.

The growth-enhancing projects under the trade sub-sector seek to address the following strategic gaps:

- Effective coordination amongst producers to support export demand;
- Closer working relationship between the DEXIA and the exporters.

These are addressed through:

- the operationalising of the Multipurpose Pack-houses;
- Certification to ensure quality products for exports through the implementation of the Fresh Produce Act;
- Improvement of vending facilities at the Roseau Market.

Housing

Quality housing is an important feature of a decent standard of living. For the upcoming fiscal year 2017/18, four major projects have been determined to be potentially large contributors to economic growth for the year. These are the National Resettlement Programme, the Housing and Sanitation Programme, the Land Settlement and Development project and the Third Water Supply Project with a total estimated cost of \$28.4 million.

Transport

The estimated total cost for the Transport Sector is \$17.2 million and represents the amount to finance additional infrastructural works at the Douglas-Charles Airport (Phase 1 and 2). These projects are financed from domestic sources. This significant investment covers continued restoration and rehabilitation activities in addition to modernisation of the facility given that air access improvements remain a critical need.

Road and other infrastructural works

Madam Speaker, the Ministry of Public Works and Ports receives the highest allocation of the capital budget. The majority of projects continue from fiscal year 2016/17, representing priority interventions following the passage of Tropical Storm Erika. Among the major projects to be undertaken by the Ministry of Public Works and Ports are the following:

- Roseau Enhancement Project
- Rehabilitation works to the E.O Leblanc Highway including the construction of three new bridges. This is being financed largely through grant funding from the Government of the People's Republic of China;
- Rehabilitation works along the Nicholas Liverpool Highway;
- Dredging of major rivers;

Madam Speaker, the Roseau Valley, known for having the highest concentration of tourist attractions, continues to be a priority for this Government. Recognising the vulnerability of the area, no effort will be spared to construct a resilient network of roads and bridges. At this time, the realignment of the Cabanis road has been completed.

In fiscal year 2017/18, work to rehabilitate the Wotten Waven road will continue with the resurfacing of a section of road from the Copthall Bridge to the Morne Prosper junction. Designs for other sections of that road will commence this year. Madam Speaker a project valued at \$1.6 million to restore access and to improve the safety and security of road users in Providence, Laudat has commenced.

The construction of the York Valley Bridge is nearing completion. Designs have just been completed for the road between York Valley Bridge and Hillsborough Bridge. A firm will be engaged to prepare designs for the area from York Valley Bridge to Pond Casse Junction.

A contract has been awarded for the rehabilitation of the area northwest of the Hillsborough Bridge along the E.O. LeBlanc highway which was impacted during the passage of Tropical Storm Erika. Construction works in all three areas are expected to begin during this Fiscal Year.

Madam Speaker, an amount of \$4.1 million is budgeted to complete the dredging of the Roseau River as well as to construct seventy-one metres (71 meters) of river wall spanning from the New West Bridge towards the EC Loblack Bridge. In addition an allocation of \$8.1 million has been set aside for the next phase of the Roseau Enhancement Project which will include the rehabilitation of three major streets in Roseau.

The rehabilitation of Charles Avenue in Goodwill which is being financed by the highway maintenance levy, commenced last month and is expected to be completed by mid-November. Allocations have also been made for the rehabilitation of the following; Eggleston Road, Elmshall road and bridge (\$4.2 million) and Morne Bruce road rehabilitation (\$500,000). The sum of \$1.97 million has been allocated for reinstatement and protection works of the Penville-Guillette Road. Ongoing works on the Banana Accompanying Measures Feeder roads will be sustained with an allocation of \$4.0 million while \$2.7 million have been set aside for the continuation of works on the Carholme road.

To enhance visibility and safety of motorists and pedestrians, Government will continue the Solar Street Lighting project along the E.O.LeBlanc and Nicholas Liverpool Highways with an amount of \$4.1 million provided in the budget.

Madam Speaker, the list I have presented is not exhaustive, as many other infrastructural interventions will be undertaken at the constituency level.

Energy

The Growth and Social Protection Strategy (GSPS) articulates Government's commitment to facilitate the use of alternative energy, in particular the phased development of geothermal energy for local consumption and export, the former contributing to a reduction in the cost of living and doing business through lower electricity prices. Provision is made for the construction of the Domestic Geothermal Energy Plant.

Health

Madam Speaker while our gains in health have been impressive the sector is expected to gain a new impetus with the construction of the New National Hospital; a one hundred and seventeen million dollar (\$117.0 million) project funded by the People's Republic of China. An amount of \$9.2 million is budgeted for this fiscal year. In addition to this new state of the art facility, we expect to see work commence on the New Marigot Hospital with part funding of a \$13.5 million grant (USD5.0 million) from the Government of Mexico.

Other infrastructural projects carded for this financial year include construction of three new health centres at Colihaut, Vieille Case and Bellevue Chopin and improved health infrastructure in Roseau and Newtown. With funding from the UK Department for International Development (DFID) implemented by the Pan American Health Organisation (PAHO), in the amount of \$5.0 million dollars, four health facilities namely in La Plaine, Roseau, Grandbay and Portsmouth will be retrofitted as SMART Health Centres.

Environment

The Environment is one of the priority sectors in the national planning dialogue and encompasses recommendations centred on environmental sustainability and climate resilience initiatives.

The largest capital project in the 2017/2018 budget is the Disaster Vulnerability Reduction Project. The total estimated financing requirement for this project is \$24.2 million. Among the activities to be implemented are the construction of the eight storage tanks on the West Coast, the rehabilitation of some sections of the east coast roads and construction of a building to house the Met Office.

Social Policy Development

Dominica's population is small relative to the land size. It is expected that a Population Policy and Action Plan (PPAP) will support the integration of population and development issues into policies and programs in the Commonwealth of Dominica.

Madam Speaker, the Government of Dominica is collaborating with the Caribbean Development Bank (CDB) and the OECS Commission in the conduct of a Country Poverty Assessment (CPA). The overall objective of the CPA is to assess the current conditions affecting the welfare of people, identify policies, strategies, action programmes and projects that would reduce the extent and severity of poverty in Dominica, enhance social development and improve overall quality of life in the Region.

Update on BAICO and CLICO Insurance Matters

Madam Speaker, the Monetary Council working through the technical committee appointed by the Council, has made some progress in recent weeks in its effort to resolve the BAICO/CLICO matter in the interest of the ECCU policyholders.

In regard to BAICO, it is expected that payments to BAICO policy holders including the three hundred and eight-six (386) policyholders of Dominica, will be made from end November to December 2017. In regard to CLICO, Madam Speaker, the Technical Core Committee appointed by the Monetary Council continues to work with Barbados Legal Counsel in seeking to secure the interest of ECCU policyholders in the on-going Barbados First Restructure Plan. The intention is to reach a mutually acceptable position that would have policy holders regain their investments.

Fiscal and Other Measures

Madam Speaker, the following measures have been identified for consideration in the 2017 budget address. The measures include some articulated by Government and others coming out of the consultative process. Throughout the fiscal year 2016/17, Government continued its engagement of many stakeholders and in the immediate lead up to the budget, special meetings were held with the Dominica Association of Industry and Commerce (DAIC), the Dominica Hotel and Tourism Association (DHTA), the Building and Contractors Association of Dominica (BCAD), all trade unions and the Dominica Manufacturers Association (DMA).

Education

Madam Speaker, the Government of Dominica has adopted a policy of ensuring that all Dominican families have the chance of pursuing educational opportunities at all levels.

Madam Speaker, we applaud all those who have taken the initiative to pursue studies in a range of disciplines and subjects.

However, having arrived at this juncture of our development, there is a need to refocus training on the specific expertise required to advance our development agenda. We salute all those who have already seized the opportunity in that respect, as we equip our citizens with the knowledge and skills necessary for achieving the vision of building a new and modern Dominica.

To encourage study in the areas that the country needs most, we propose to amend the guidelines under which education assistance is provided at the tertiary level. This will include a review of the priority list used by the Ministry of Education and Human Resource Development and other institutions like the AID Bank and the Dominica Social Security. Towards that end, the Ministry of Education has written to critical agencies in the private sector and civil society to get their input into the formulation of the final list of priorities.

The conditions that will apply to full sponsorship and part sponsorship will also be specified. There will be an approved list of universities that prospective students can attend if they are to be assisted.

Madam Speaker, there are three specific areas within education to which special attention will be paid.

1. Government has seen the need to improve the physical facilities to ensure that students who are physically challenged have equal and ease of access to education. To complement the physical infrastructure, Government through the Ministry of Education will be introducing special training of teachers to teach students with special needs. The training will also include a component for engaging parents of children with special needs so that adequate support is provided within the family to address the needs of these children.
2. The other area of focus for Government is support for post graduate study. In many disciplines, the capacity available is limited to undergraduate degrees. There is need to improve the level of specialization in a number of key disciplines. That process has already started in the health sector, where priority has been given to training of doctors in specialties that were not previously readily available in Dominica. Capacity deficits in other disciplines will be captured in the priority list.
3. Government also proposes to direct some financing to some critical areas which appear to be in short supply and which are necessary to complement government's investments in other areas. One critical area of need is the skill set needed to maintain and sustain the investments in the tourism sector. To grow the tourism sector, there is need for efficient, well trained front line staff who can provide quality customer service at all levels of the industry.

The Government therefore proposes to provide support to people intending to pursue studies in such disciplines as hospitality, hotel management, culinary arts, landscaping, carpentry, masonry, tile laying and other hotel maintenance services. In addition, skills required in the manufacturing sector such as those of equipment maintenance officers, mechanical engineers and technicians are in high demand and this sector will also receive support.

Through the Dominica State College, Government will partner with the Dominica Hotel and Tourism Association to implement an aggressive training programme to develop a pool of front line employees for the Hotel and Restaurant Sector.

It is proposed that the Hospitality Apprenticeship Training Programme will be expanded. This Apprenticeship Programme will provide training in the following areas: Bartending, Front Desk Operations/Reception, Wait Service, House Keeping and Food Preparation, Introduction to Tourism, and Customer Service. This programme will run over a period of twelve weeks and will include classroom and on the job training and will target fifty (50) individuals in the first instance.

In addition, the Ministry of Tourism and Urban Renewal is working with the Ministry of Education and Human Resource Development on a CVQ Tourism Training Programme which will focus on introducing CVQ Level 1 and 2 certification for the Tourism Sector.

The intention is to train interested people at a tertiary level and that they be granted diplomas and post-graduate diplomas. Where necessary, the Dominica State College will need to work with other tertiary institutions such as the University of the West Indies and University of Technology (Jamaica) in the development of the relevant curriculum and accreditation of the programmes being offered.

For all of the critical areas mentioned, Government will provide grants to qualifying individuals to pursue these courses of study. The relevant budgetary provision of \$4.0 million is included in the budget. Investing in skills is critical to realising our vision. We appreciate that our training initiatives are extensive and have grown somewhat incrementally and we will recommend that the NFPP reviews all fiscal expenditures on training to examine whether there are ways of making our spending even more effective and relevant, and where there may be positive linkages with the rest of the economy.

Support to the Manufacturing Sector

Madam Speaker, for many years the Dominica Coconut Products Ltd was the main company in the manufacturing sector. The destruction of the facilities during Tropical Storm Erika and its subsequent closure, emphasized the need to broaden the base within that sector. Assistance was provided to a local company to restart operations at the DCP. It is also important that other companies begin making a more substantial contribution to manufacturing.

The Government of Dominica held discussions with the Dominica Manufacturing Association (DMA) on the possibility of providing assistance to the sector over and above what is currently available to them.

On the basis of the proposal submitted by the DMA, Government has agreed to the establishment of a \$15.0 million special loan facility at the AID Bank to meet the needs of the manufacturing sector.

The funds will be lent to manufacturers for the following purposes:

- Working Capital
- Expansion and/or improvement of manufacturing plant
- Construction of facility
- Purchase of Equipment/machinery
- Systems update

To be eligible, the manufacturer should be engaged in manufacturing in Dominica and such eligibility will include new and existing manufacturers who are currently in active production. Start-ups will be channelled through the Invest Dominica Authority.

The loans will be made to manufacturers on the following financial terms and conditions:

- Interest rate will be 3 percent;
- Maturity period of five to twelve years;
- Grace period of up to twelve months for investments and three months for loans contracted for working capital.

Consistent with previous special facilities, and on the basis that the special facility is intended to create new business or enhance the quality and volume of products of existing business, Government maintains the position that loans under the special facility will not be used for refinancing.

To ensure that the items to be produced are of acceptable quality, it will be necessary to ensure that appropriate non-financial terms and conditions are in place.

Madam Speaker, the conditions that I have mentioned and the others which will form part of the requirements for the facility were submitted by the DMA. It is our hope that this measure will yield substantial benefits to the manufacturers and to the economy as a whole.

The AID Bank as the administrator will ensure that all best practices adopted by the Bank in its normal business apply, along with the conditions specified by Government are adopted.

Strengthening the requirements for Health and Safety in the Workplace

Government is in support of measures to improve the health and safety in the workplace. The Labour Division in the Ministry of Justice, Immigration and Labour, has been engaged with the private sector bodies in establishing a policy on occupational health and safety.

The Builder and Contractors Association of Dominica (BCAD) is one of the private sector organisations in the fore-front of efforts to improve the safety at the work place. BCAD proposed the introduction of legislation to regulate minimum standards of safety at the workplace particularly at construction sites. In addition, BCAD recommends the grant of concessions on safety equipment used at workplaces.

The following products were identified for relief of import duties in light of the above:

- Industrial Gloves of Leather/Imitation Leather (HS 4203.29.10)
- Leather Harness and Bandoliers (HS 4203.30)
- Safety Leather Clothing Accessories (HS 4203.40)
- Safety Vests (HS 6117.80.90)
- Ear Muffs (HS 6117.80 / 6217.10)
- Industrial Gloves of Textile (HS 6216.00.10)
- LIFE Jackets / Vests (HS 6307.20.10)
- Footwear with Metal Toe Cap (HS 6401.10)
- Safety Headgear (HS 6501.10)
- Protective Masks / Respirators (HS 9020)

Safety Headgear and Life Jackets/Vests are already free of Import Duty in the Common External Tariff (CET), while Import Duty is applicable on the remaining commodities.

The Industrial Gloves, Safety Footwear and the Protective Masks and Respirators are the only three (3) products with HS Codes which are specific to them. The other items will require the engagement of the CARICOM Secretariat to deal with break-out tariff numbers.

Government has therefore decided to pursue the preparation of legislation and to provide the legal framework that mandates minimum health and safety requirements in the workplace. The Labour Division of the Ministry of Justice, Immigration and Labour is mandated to lead this process.

In addition, effective October 1, 2017, and consistent with section XI (16) under the list of Conditional Duty Exemptions of the Common External Tariff, the import duties on Industrial Gloves, Safety Footwear and the Protective Masks and Respirators will be set at zero.

Making our Cities and Towns Beautiful

Madam Speaker, reference is made elsewhere in this presentation to the soon to be accelerated Roseau Enhancement Programme. We have spoken in the past about the need to improve the road infrastructure. The New West Bridge provides a glimpse of the type of infrastructure excellence we seek to pursue.

One expects equal impact from rehabilitation of roads and sidewalks in Roseau and the town of Portsmouth. But what, Madam Speaker, of our buildings?

What would be the point of modernising our roads and sidewalks and leaving buildings in a dilapidated state?

As a Government, we believe that our efforts to create modern urban centres must be complete and comprehensive. And it is for that reason, Madam Speaker, that I am happy today to announce a special Roseau and Portsmouth Enhancement Initiative whereby effective January 2018, the Government of Dominica will permit a one year relief of duties and other levies, with

the exception of the VAT, on all refurbishment of commercial and residential properties in these two historic cities.

Madam Speaker, I have deliberately given the relevant authorities five clear months to flesh out the formula by which these exemptions shall be granted and to adequately sensitize and educate property owners to how the system would work.

What I am assured about, however, is that I would like to see by January of 2019 an almost new look Roseau and Portsmouth communities, resplendent in the colour and vibrancy of a modern and industrious Dominica.

Tax waivers and exemptions would apply to all approved building materials, interior and exterior wall finishes, roofing materials, pavement improvements, to name a few.

Immediately after passage of this Budget, I shall seek to establish a joint public/private sector working committee to formulate specific details for the working of this measure which I am confident will result in the rapid modernisation and beautification of the historic city of Roseau and the town of Portsmouth.

Establishment of National Fiscal Policy Panel

Madam Speaker, small countries like ours, do not have an over-abundance of high-level manpower resources. It is imperative that efforts be made to bring together the intellectual capital required for the conceptualisation and formulation of economic and social policies as we seek to maximise economic growth and social and economic development.

The public service plays an important role in the formulation of public policy but has limited capacity and capability for carrying out all of the tasks assigned to it.

A National Fiscal Policy Panel (NFPP) for Dominica can complement the resources of the public service and bring increased substance, objectivity and independence to the deliberations of the government.

A National Fiscal Policy Panel can make for enhanced national governance through its consultations with and openness to various groups and individuals in the society who may have ideas and proposals for moving the country forward and dealing with the pressing issues of growth, social integration and employment generation.

It can provide a forum where various studies and reports that have been conducted on Dominica can be brought to the table and deliberated on with a view to advising on possible approaches to their implementation or integration into broad national policy.

To perform this function well, the NFPP must have credibility, both in terms of its composition and independence.

Its membership must include persons who themselves have intellectual credibility, whose training and work experience enable them to make a contribution to the work of the Panel, and

who can bring intellectual independence and objectivity to the consideration of important national issues, while being sensitive to social realities and possible unintended consequences.

The transcending purpose of the Panel would be to advise the Government on how to maximise opportunities for increasing economic growth, social integration and employment generation. The Panel would need to be supported by a small secretariat of persons with research capability, energy and competence in economics, social sciences or other relevant fields.

The National Fiscal Policy Panel for Dominica will be modelled on Fiscal Policy Panels established in Jersey and elsewhere.

The terms of reference for a National Fiscal Policy Panel for Dominica could include the following:

- To serve as a sounding board for government policy proposals and to provide guidance on their efficiency, efficacy and implementation;
- To provide a forum for groups and individuals to recommend and comment on policy proposals;
- To review documents emanating locally, regionally and internationally on matters of economic and development policy, with a view to advising on their utility for purposes of national growth and development;
- To keep the state of the economy, including fiscal, sectoral and institutional issues, under constant review with a view to helping to ensure consistency with broad national goals, identifying areas of concern and making recommendations for treating with them;
- To monitor the implementation of policy decisions with a view to assisting with their effectiveness and efficacy;
- To review and make proposals for improving the environment for investing and doing business in Dominica and attracting foreign direct investment;
- To provide critical focus on the growth sectors of the economy and where deemed necessary advise on policy matters impacting performance; and
- Generally, to assist in ensuring good national economic management, ensuring that there is a sustainable fiscal plan and the maximizing of opportunities for economic growth, as well as enhanced national governance.

The members of the Panel will be appointed by the Hon. Prime Minister and Minister for Finance who will take into account their expertise in relevant fields, for example in the fields of economics, public financial management, sectoral expertise, private sector expertise.

We envisage a series of staggered terms of office of the three experts in order to allow for a good mix of fresh and continuous thinking, with a maximum appointment of a non-renewable five year term. The Panel will be provided with the resources required to carry out their function.

Relevant regional and international institutions, such as the OECS, ECCB, Caribbean Development Bank (CDB), World Bank, IMF, CARTAC, ECLAC, and UWI, will be alerted to the establishment of the NFPP and to its deliberations and they will be invited to support its work technically, and to attend meetings where necessary on matters where they have the relevant expertise.

Madam Speaker, it is my intention to name the members of this distinguished panel of experts within the next 30 days, so that its work can commence in earnest, effective 1st September 2017.

Income tax measures

Madam Speaker for us to achieve the bold vision enunciated in this presentation, we must have a tax system that incentivises employment over consumption, and income over idle assets.

Consequently, Madam Speaker, we shall be directing the National Fiscal Policy Panel to consider and advise on the abolition of the 15% and 25% income tax bands as early as the next fiscal year.

Under this proposed system, Dominicans would only start paying income tax when their income reaches the 35% tax rate.

This is a major, bold, move. By this measure, we will remove from the payment of income tax, all Dominicans earning less than what can be termed a decent middle income salary, and all of those earning more will only pay tax on their income above this level.

In this move we are saying to all that Dominica is a place that does not penalise work and income.

The most important aspect of this change would be the increased incentives to work and earn but it would also serve to simplify our tax system with only one rate of income tax.

The National Fiscal Policy Panel will be charged with the responsibility of advising on this measure and I would hope to be in a position, as of the next fiscal year, to gradually introduce this new income tax structure.

In the interim, however, Madam Speaker, I am aware of the great relief that our tax structure, as modified over the last seven years, has brought to hundreds of Dominican workers in the public and private sectors. We have moved the income tax threshold from \$15,000 to \$25,000 and this has aided many. But, I still do not believe it has assisted enough of our employees.

We shall await the advice of the experts, but in the interim I wish to ease the burden further and enhance the cash flow of workers in Dominica, by increasing the minimum income tax threshold from \$25,000 per year to \$30,000 per year.

This means, Madam Speaker, that effective 1st January 2018 no person earning \$30,000 a year or less will pay income tax and those working for more than \$30,000 a year, will have the first \$30,000 exempted from income tax deductions.

Although this is a major move in regard to incentives in our country and as a measure of our new direction, the revenue foregone would represent less than 5.0 percent of our current revenues.

There will be those who will consider that 5.0 percent of revenues will be recovered through the expansion of our economy, but we will conservatively assume not and instead we would moderate our other discretionary expenditures within the fiscal year in order to maintain a near-zero primary balance in our fiscal accounts. This measure is not being funded by debt.

Madam Speaker, in the medium-term we expect to replace this loss of income by adding a new feature to our successful Citizenship By Investment Programme.

We are examining a plan to encourage some of our new citizens who do not reside in Dominica, to consider becoming tax resident here. The advantage for them would be a tax identification number which is increasingly becoming a requirement for carrying out international business.

Our new citizens have already passed a thorough due diligence exercise and for those wishing to become tax resident here without being resident in Dominica for the normal requisite time, we may give them the option of becoming tax resident as long as they pay a minimum amount of income tax.

This would serve a number of purposes. Most importantly, it would ensure that our engagement with our new citizens is deeper and more continuous. But it also has the potential to provide a substantial amount of additional revenue annually. It is likely that this new proposal, which must be designed carefully so as to maintain the integrity of our existing programme, could yield more than the \$34.0 million raised last year by all of our existing income taxes.

Madam Speaker, we are excited that this proposal would graduate the CBIP to a new level, from a programme based around an initial investment to one where there was a constant flow of annual taxes from new citizens. As soon as we are satisfied that we have the right design and have fully assessed the costs and benefits and the risks and opportunities we will bring it to Parliament.

Conclusion

Madam Speaker, this budget sets out this Government's direction and plans for building a new and modern Dominica in a way that enhances the lives of all Dominicans. In our commitment to involve the people in all aspects of governance, this budget is a cumulative effort as is evidenced by our resulting dialogue with this country's social and economic partners.

In this budget, we have set out to begin a further transformation of our economy to the next level of growth and prosperity. We set out how we plan to play a part in a caring and inclusive government that seeks to build, protect and preserve our country for future generations through entrepreneurship, citizen-centred development and social responsibility.

I want to thank those who have been in discussion with government over the past year on the policy and administrative matters affecting their operations.

I am particularly grateful to the representatives of those sectors who accepted Government's invitation to participate in the national consultation on the economy which was held at the State House Conference Centre on 3rd April 2017 and follow-up discussions which took place over the last few weeks. Their constructive and spirited observations and suggestions have helped in shaping this budget statement, and once again, I profusely thank them all.

Madam Speaker, I have said repeatedly over the years, that no one outside of Dominica owes Dominica anything. This is our island and each of us resident in Dominica or who are proud

citizens of this beautiful country, have a duty and responsibility to assist in our nation's development.

I have observed with interest and great satisfaction the extent to which many citizens have derided the constant attempt by some to portray our country in a negative light. I think we would all agree that notwithstanding their continued efforts, Dominica continues to impress all and sundry with its progressive form of national development, that has seen the quality of life of citizens improved over the past seventeen (17) years,

I am confident, Madam Speaker, that with the measures outlined in this presentation and with a bold decision to reduce taxes and costs, our people can approach the new fiscal year with continued confidence and with a determination to play their individual and collective roles in building back better, this beautiful country of ours.

Madam Speaker, we are saying once again that we will run our affairs responsibly to be in a position to reduce financial strain on our people and increase their opportunities.

Madam Speaker, it is my hope and fervent wish that Dominicans would treat to these policy measures in a responsible and mature manner. We need to formulate a greater sense of investment and entrepreneurship. Young Dominicans in particular, need to see lower taxes and public investments in their education and training as reason to start saving earlier.

To move to the next level, we need to combine the government's generous provision with an increased sense of individual responsibility over how that generosity is best used to further individual opportunities, training, housing and good health.

These are the purposes to which I would like some of the savings and opportunities created by this budget to be channelled.

Madam Speaker, I am confident about the future of Dominica. I am excited about the path ahead. I look forward to working with our advisors and public officers and the people of Dominica to realise a new, modern and prosperous Dominica for all. I am confident that we can achieve our goals by the grace of God.

Madam Speaker, I thank you.